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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/608,307	06/26/2003	Thomas D. Logan	078530-0002	8995
29580 7590 01/23/2008 SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP ATTN: JAN STEELE 525 UNIVERSITY AVENUE SUITE 1100 PALO ALTO, CA 94301				
EXAMINER				
LIU, ALAN Y				
ART UNIT		PAPER NUMBER		
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**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

**Office Action Summary****Application No.**

10/608,307

**Applicant(s)**

LOGAN, THOMAS D.

**Examiner**

ALAN LIU

**Art Unit**

4127

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --  
**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 26 June 2003.  
2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.  
3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-23 is/are pending in the application.  
4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.  
5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.  
6) ☒ Claim(s) 1-23 is/are rejected.  
7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.  
8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.  
10) ☒ The drawing(s) filed on 26 June 2003 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).  
11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).  
a) ☐ All b) ☐ Some \* c) ☐ None of:  
1. ☐ Certified copies of the priority documents have been received.  
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.  
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- 1) ☒ Notice of References Cited (PTO-892)  
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)  
3) ☐ Information Disclosure Statement(s) (PTO/CDC)  
4) ☐ Interview Summary (PTO-413)  
5) ☐ Notice of Informal Patent Application  
6) ☐ Other: \_\_\_\_\_  
Paper No(s)/Mail Date \_\_\_\_\_

### DETAILED ACTION

1. This communication is a first Office Action Non-Final rejection on the merits.

Claims 1-23, as originally filed, are pending and have been considered below

#### ***Claim Rejections - 35 USC § 103***

2. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

3. **Claims 1-23 are rejected under 35 U.S.C. 103(a) as being unpatentable over Holm et al. (2003/0220863) in view of Hartley-Urquhart (6,167,385).**

**As per claim 1**, Holm et al. discloses a method for modifying the payment terms of a transaction between a buyer and a seller (Abstract), comprising:

at a computerized financial settlement exchange (Figure 1, via payer system 101 and seller system 102 working together),

receiving a buyer's one or more liquidity preferences, a seller's one or more liquidity preferences, and one or more payment terms of a transaction, (Figure 1, via sending and receiving of offers 130 and 131; pages 3-4, paragraph 0062, via buyer and seller negotiating new terms for payment, based on a simple time value of money based on a selected interest rate calculation, the change in the payment amount can be calculated based on the number of days earlier or later than the originally agreed-upon settlement date that payments occur; page 9, Example 1, via supplier is willing to offer

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the buyer a 2% discount if the buyer pays within 10 days as opposed to 30 days, which is the liquidity preference; Note: Examiner construes negotiating the settlement date as liquidity preferences where both buyer and seller have a preference whether to accelerate or decelerate cash flows);

determining whether said transaction is eligible for modification based at least in part on said buyer's one or more liquidity preferences, said seller's one or more liquidity preferences, and said one or more payment terms (pages 3-4, paragraph 0062, via negotiation for new, modified payment terms between buyer and seller);

proposing a modification to said one or more payment terms if said determining step finds that said transaction is eligible for modification (page 4, paragraph 0064, via negotiation for adjustment of payment terms);

modifying said one or more payment terms in said transaction without financial intervention by a third party (page 4, paragraph 0064, via reaching an agreement between the buyer and the seller; Figure 7, via first timeline involving only buyer and seller with no financial institution).

However, Holm et al. fails to expressly disclose:

receiving a buyer's cost of funds and a seller's cost of funds, wherein said buyer's cost of funds is specified by said buyer and said seller's cost of funds is specified by said seller, and one or more payment terms of a transaction;

determining whether said transaction is eligible for modification based at least in part on said buyer's cost of funds, said seller's cost of funds, and said one or more payment terms.

Hartley-Urquhart teaches a supply chain financing system and method comprising:

receiving a buyer's cost of funds and a seller's cost of funds, wherein said buyer's cost of funds is specified by said buyer and said seller's cost of funds is specified by said seller, and one or more payment terms of a transaction (col. 6, lines 12-25, via buyer's and seller's cost of funds, payment terms);

determining whether said transaction is eligible for modification based at least in part on said buyer's cost of funds, said seller's cost of funds, and said one or more payment terms (col. 6, lines 12-25, via if buyer's cost of funds is 200 basis points less than seller's, and the current payment terms are 60 days, then through the AP structure of the present invention, buyer could receive an additional 21.8 days of terms from the seller at no additional receivable carrying cost to the seller).

From this teaching of Hartley-Urquhart, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the method for modifying the payment terms of a transaction of Holm et al. to include determining whether a transaction is eligible for modification based on buyer's cost of funds and seller's cost of funds as taught by Hartley Urquhart because cost of funds is an additional factor to consider for payment terms and changing the payment terms may be mutually beneficial to the buyer and seller.

**As per claim 2**, Holm et al. discloses a method for facilitating the modification of payment terms in a transaction between a buyer and a seller (Abstract), comprising:

at a computerized financial settlement exchange (Figure 1, via payer system 101 and seller system 102 working together),

proposing a modification to said one or more payment terms if said determining step finds that said transaction is eligible for modification (page 4, paragraph 0064, via negotiation for adjustment of payment terms).

However, Holm et al. fails to expressly disclose:

receiving a buyer's cost of funds, a seller's cost of funds, and one or more payment terms of a transaction;

determining whether said transaction is eligible for modification based at least in part on said buyer's cost of funds, said seller's cost of funds, and said one or more payment terms.

Hartley-Urquhart teaches a supply chain financing system and method comprising:

receiving a buyer's cost of funds, a seller's cost of funds, and one or more payment terms of a transaction (col. 6, lines 12-25, via buyer's and seller's cost of funds, payment terms);

determining whether said transaction is eligible for modification based at least in part on said buyer's cost of funds, said seller's cost of funds, and said one or more payment terms (col. 6, lines 12-25, via if buyer's cost of funds is 200 basis points less than seller's, and the current payment terms are 60 days, then through the AP structure of the present invention, buyer could receive an additional 21.8 days of terms from the seller at no additional receivable carrying cost to the seller).

From this teaching of Hartley-Urquhart, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the method for facilitating the modification of payment terms in a transaction of Holm et al. to include determining whether a transaction is eligible for modification based on buyer's cost of funds and seller's cost of funds as taught by Hartley Urquhart because cost of funds is an additional factor to consider for payment terms and changing the payment terms may be mutually beneficial to the buyer and seller.

**As per claim 3**, Holm et al. discloses receiving in said financial settlement exchange costs of funds from a plurality of sellers (Figure 1, via offer 131 from seller system 102, a plurality of sellers can represent the seller system, any number of sellers can use this system for financial settlement).

**As per claim 4**, Holm et al. discloses receiving in said financial settlement exchange costs of funds from a plurality of buyers (Figure 1, via offer 130 from payer system 101, any number of buyers can use this system for financial settlement).

**As per claim 5**, Holm et al. discloses receiving in said financial settlement exchange costs of funds from a plurality of buyers and sellers (Figure 1, via offers 130 and 131 from payer system 101 and seller system 102, any number of buyers and sellers can use this system for financial settlement).

**As per claim 6**, Holm et al. discloses receiving in said financial settlement exchange one or more liquidity preferences from said buyer (Figure 1, via offer 130 from payer system 101).

**As per claim 7**, Holm et al. discloses determining whether said transaction is eligible for modification based at least in part on said buyer's one or more liquidity preferences (pages 3-4, paragraph 0062, via buyer and seller negotiating new terms for payment, based on a simple time value of money based on a selected interest rate calculation, the change in the payment amount can be calculated based on the number of days earlier or later than the originally agreed-upon settlement date that payments occur).

**As per claim 8**, Holm et al. discloses receiving in said financial settlement exchange one or more liquidity preferences from said seller (Figure 1, via offer 131 from seller system 102).

**As per claim 9**, Holm et al. discloses determining whether said transaction is eligible for modification based at least in part on said seller's one or more liquidity preferences (pages 3-4, paragraph 0062, via buyer and seller negotiating new terms for payment, based on a simple time value of money based on a selected interest rate calculation, the change in the payment amount can be calculated based on the number of days earlier or later than the originally agreed-upon settlement date that payments occur).

**As per claim 10**, Holm et al. discloses receiving in said financial settlement exchange liquidity preferences from a plurality of buyers and sellers (Figure 1, via offers 130 and 131 from payer system 101 and seller system 102).



**As per claim 11**, Holm et al. discloses modifying said one or more payment terms in said transaction (page 4, paragraph 0064, via reaching an agreement between the buyer and the seller).

**As per claim 12**, Holm et al. discloses modifying step does not involve financial intervention by a third party (Figure 7, via first timeline involving only buyer and seller with no financial institution).

**As per claim 13**, Holm et al. discloses said exchange is part of the buyer (Figure 1, via payer system 101 part of whole system).

**As per claim 14**, Holm et al. discloses said exchange is part of the seller (Figure 1, via seller system 102 part of whole system).

**As per claim 15**, Holm et al. discloses said exchange is not part of the buyer or the seller (Figure 5, via involvement of third party financial institution).

**As per claim 16**, Holm et al. discloses all elements of the claimed invention as applied to claim 2 above, but fails to expressly disclose said buyer's cost of funds is specified by said buyer and said seller's cost of funds is specified by said seller.

Hartley-Urquhart teaches a supply chain financing system and method where said buyer's cost of funds is specified by said buyer and said seller's cost of funds is specified by said seller (col. 6, lines 12-25, via buyer's and seller's cost of funds).

From this teaching of Hartley-Urquhart, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the method for modifying the payment terms of a transaction of Holm et al. to include determining whether a transaction is eligible for modification based on buyer's cost of funds and

seller's cost of funds as taught by Hartley Urquhart because cost of funds is an additional factor to consider for payment terms.

**As per claim 17**, Holm et al. discloses a method for modifying the payment terms of a transaction between a buyer and a seller (Abstract), comprising:

at a computerized financial settlement exchange (Figure 1, via payer system 101 and seller system 102 working together);

modifying said one or more payment terms in said transaction if said determining step finds that said transaction is eligible for modification (page 4, paragraph 0064, via reaching an agreement between the buyer and the seller).

However, Holm et al. fails to expressly disclose:

receiving a buyer's cost of funds, a seller's cost of funds, and one or more payment terms of a transaction;

determining whether said transaction is eligible for modification based at least in part on said buyer's cost of funds, said seller's cost of funds, and said one or more payment terms.

Hartley-Urquhart teaches a supply chain financing system and method comprising:

receiving a buyer's cost of funds, a seller's cost of funds, and one or more payment terms of a transaction (col. 6, lines 12-25, via buyer's and seller's cost of funds, payment terms);

determining whether said transaction is eligible for modification based at least in part on said buyer's cost of funds, said seller's cost of funds, and said one or more

payment terms (col. 6, lines 12-25, via if buyer's cost of funds is 200 basis points less than seller's, and the current payment terms are 60 days, then through the AP structure of the present invention, buyer could receive an additional 21.8 days of terms from the seller at no additional receivable carrying cost to the seller).

From this teaching of Hartley-Urquhart, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the method for modifying the payment terms of a transaction of Holm et al. to include determining whether a transaction is eligible for modification based on buyer's cost of funds and seller's cost of funds as taught by Hartley Urquhart because cost of funds is an additional factor to consider for payment terms and changing the payment terms may be mutually beneficial to the buyer and seller.

**As per claim 18**, Holm et al. discloses a method for facilitating the modification of payment terms in a transaction between participants (Abstract), comprising:

sending one or more payment terms of a transaction between a first participant and a second participant to a computerized financial settlement exchange (Figure 1, via sending and receiving of offers 130 and 131; pages 3-4, paragraph 0062, via buyer and seller negotiating new terms for payment, based on a simple time value of money based on a selected interest rate calculation, the change in the payment amount can be calculated based on the number of days earlier or later than the originally agreed-upon settlement date that payments occur);

receiving a proposal from said exchange to modify said one or more payment terms in said transaction if said exchange determines that said transaction is eligible for modification (page 4, paragraph 0064, via negotiation for adjustment of payment terms).

However, Holm et al. fails to expressly disclose that the a computerized financial settlement exchange configured to determine whether said transaction is eligible for modification based at least in part on said first participant's cost of funds, said second participant's cost of funds, and said one or more payment terms.

Hartley-Urquhart teaches a supply chain financing system and method configured to determine whether said transaction is eligible for modification based at least in part on said first participant's cost of funds, said second participant's cost of funds, and said one or more payment terms (col. 6, lines 12-25, via if buyer's cost of funds is 200 basis points less than seller's, and the current payment terms are 60 days, then through the AP structure of the present invention, buyer could receive an additional 21.8 days of terms from the seller at no additional receivable carrying cost to the seller).

From this teaching of Hartley-Urquhart, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the method for facilitating the modification of payment terms in a transaction of Holm et al. to include determining whether a transaction is eligible for modification based on buyer's cost of funds and seller's cost of funds as taught by Hartley Urquhart because cost of funds is an additional factor to consider for payment terms and changing the payment terms may be mutually beneficial to the buyer and seller.

**As per claim 19**, Holm et al. discloses a method for modifying the payment terms of a transaction between participants (Abstract), comprising:

sending one or more payment terms of a transaction between a first participant and a second participant to a computerized financial settlement exchange (Figure 1, via sending and receiving of offers 130 and 131; pages 3-4, paragraph 0062, via buyer and seller negotiating new terms for payment, based on a simple time value of money based on a selected interest rate calculation, the change in the payment amount can be calculated based on the number of days earlier or later than the originally agreed-upon settlement date that payments occur);

and modify said one or more payment terms in said transaction if said exchange determines that said transaction is eligible for modification (page 4, paragraph 0064, via reaching an agreement between the buyer and the seller; Figure 7, via first timeline involving only buyer and seller with no financial institution);

receiving from said exchange notification of said modification (page 1, paragraph 014, via electronic notification of new terms).

However, Holm et al. fails to expressly disclose:

the computerized financial settlement exchange is configured to determine whether said transaction is eligible for modification based at least in part on said first participant's cost of funds, said second participant's cost of funds, and said one or more payment terms.

Hartley-Urquhart teaches a supply chain financing system and method configured to determine whether said transaction is eligible for modification based at

least in part on said first participant's cost of funds, said second participant's cost of funds, and said one or more payment terms (col. 6, lines 12-25, via if buyer's cost of funds is 200 basis points less than seller's, and the current payment terms are 60 days, then through the AP structure of the present invention, buyer could receive an additional 21.8 days of terms from the seller at no additional receivable carrying cost to the seller).

From this teaching of Hartley-Urquhart, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the method for modifying the payment terms of a transaction of Holm et al. to include determining whether a transaction is eligible for modification based on buyer's cost of funds and seller's cost of funds as taught by Hartley Urquhart because cost of funds is an additional factor to consider for payment terms and changing the payment terms may be mutually beneficial to the buyer and seller.

**As per claim 20**, Holm et al. discloses a financial settlement exchange system comprising at least one computer (Figure 1), wherein said at least one computer proposes a modification to said one or more payment terms if a determination finds that said transaction is eligible for modification (page 4, paragraph 0064, via negotiation for adjustment of payment terms).

However, Holm et al. fails to expressly disclose:  
receiving a buyer's cost of funds, a seller's cost of funds, and one or more payment terms of a transaction;

determining whether said transaction is eligible for modification based at least in part on said buyer's cost of funds, said seller's cost of funds, and said one or more payment terms.

Hartley-Urquhart teaches a supply chain financing system and method comprising:

receiving a buyer's cost of funds, a seller's cost of funds, and one or more payment terms of a transaction (col. 6, lines 12-25, via buyer's and seller's cost of funds, payment terms);

determining whether said transaction is eligible for modification based at least in part on said buyer's cost of funds, said seller's cost of funds, and said one or more payment terms (col. 6, lines 12-25, via if buyer's cost of funds is 200 basis points less than seller's, and the current payment terms are 60 days, then through the AP structure of the present invention, buyer could receive an additional 21.8 days of terms from the seller at no additional receivable carrying cost to the seller).

From this teaching of Hartley-Urquhart, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the method for facilitating the modification of payment terms in a transaction of Holm et al. to include determining whether a transaction is eligible for modification based on buyer's cost of funds and seller's cost of funds as taught by Hartley Urquhart because cost of funds is an additional factor to consider for payment terms and changing the payment terms may be mutually beneficial to the buyer and seller.

**As per claim 21**, Holm et al. discloses a financial settlement exchange system comprising at least one computer (Figure 1), wherein said at least one computer modifies said one or more payment terms if a determination finds that said transaction is eligible for modification (page 4, paragraph 0064, via reaching an agreement between the buyer and the seller).

However, Holm et al. fails to expressly disclose:

receiving a buyer's cost of funds, a seller's cost of funds, and one or more payment terms of a transaction;

determining whether said transaction is eligible for modification based at least in part on said buyer's cost of funds, said seller's cost of funds, and said one or more payment terms.

Hartley-Urquhart teaches a supply chain financing system and method comprising:

receiving a buyer's cost of funds, a seller's cost of funds, and one or more payment terms of a transaction (col. 6, lines 12-25, via buyer's and seller's cost of funds, payment terms);

determining whether said transaction is eligible for modification based at least in part on said buyer's cost of funds, said seller's cost of funds, and said one or more payment terms (col. 6, lines 12-25, via if buyer's cost of funds is 200 basis points less than seller's, and the current payment terms are 60 days, then through the AP structure of the present invention, buyer could receive an additional 21.8 days of terms from the seller at no additional receivable carrying cost to the seller).



From this teaching of Hartley-Urquhart, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the method for facilitating the modification of payment terms in a transaction of Holm et al. to include determining whether a transaction is eligible for modification based on buyer's cost of funds and seller's cost of funds as taught by Hartley Urquhart because cost of funds is an additional factor to consider for payment terms and changing the payment terms may be mutually beneficial to the buyer and seller.

**As per claim 22**, Holm et al. discloses a machine readable medium having stored thereon data representing sequences of instructions, which when executed by a computerized financial settlement exchange, cause said exchange to execute a method for facilitating the modification of payment terms in a transaction between a buyer and a seller (Abstract; pages 4-5, paragraph 0070, via logic modules may be implemented by a combination of hardware and software), the method comprising:

proposing a modification to said one or more payment terms if said determining step finds that said transaction is eligible for modification (page 4, paragraph 0064, via negotiation for adjustment of payment terms).

However, Holm et al. fails to expressly disclose:

receiving a buyer's cost of funds, a seller's cost of funds, and one or more payment terms of a transaction;

determining whether said transaction is eligible for modification based at least in part on said buyer's cost of funds, said seller's cost of funds, and said one or more payment terms.

Hartley-Urquhart teaches a supply chain financing system and method comprising:

receiving a buyer's cost of funds, a seller's cost of funds, and one or more payment terms of a transaction (col. 6, lines 12-25, via buyer's and seller's cost of funds, payment terms);

determining whether said transaction is eligible for modification based at least in part on said buyer's cost of funds, said seller's cost of funds, and said one or more payment terms (col. 6, lines 12-25, via if buyer's cost of funds is 200 basis points less than seller's, and the current payment terms are 60 days, then through the AP structure of the present invention, buyer could receive an additional 21.8 days of terms from the seller at no additional receivable carrying cost to the seller).

From this teaching of Hartley-Urquhart, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the method for facilitating the modification of payment terms in a transaction of Holm et al. to include determining whether a transaction is eligible for modification based on buyer's cost of funds and seller's cost of funds as taught by Hartley Urquhart because cost of funds is an additional factor to consider for payment terms and changing the payment terms may be mutually beneficial to the buyer and seller.

**As per claim 23**, Holm et al. discloses a machine readable medium having stored thereon data representing sequences of instructions, which when executed by a computerized financial settlement exchange, cause said exchange to execute a method for modifying the payment terms of a transaction between a buyer and a seller

(Abstract; pages 4-5, paragraph 0070, via logic modules may be implemented by a combination of hardware and software), the method comprising:

modifying said one or more payment terms if said determining step finds that said transaction is eligible for modification (page 4, paragraph 0064, via reaching an agreement between the buyer and the seller).

However, Holm et al. fails to expressly disclose:

receiving a buyer's cost of funds, a seller's cost of funds, and one or more payment terms of a transaction;

determining whether said transaction is eligible for modification based at least in part on said buyer's cost of funds, said seller's cost of funds, and said one or more payment terms.

Hartley-Urquhart teaches a supply chain financing system and method comprising:

receiving a buyer's cost of funds, a seller's cost of funds, and one or more payment terms of a transaction (col. 6, lines 12-25, via buyer's and seller's cost of funds, payment terms);

determining whether said transaction is eligible for modification based at least in part on said buyer's cost of funds, said seller's cost of funds, and said one or more payment terms (col. 6, lines 12-25, via if buyer's cost of funds is 200 basis points less than seller's, and the current payment terms are 60 days, then through the AP structure of the present invention, buyer could receive an additional 21.8 days of terms from the seller at no additional receivable carrying cost to the seller).

From this teaching of Hartley-Urquhart, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the method for facilitating the modification of payment terms in a transaction of Holm et al. to include determining whether a transaction is eligible for modification based on buyer's cost of funds and seller's cost of funds as taught by Hartley Urquhart because cost of funds is an additional factor to consider for payment terms and changing the payment terms may be mutually beneficial to the buyer and seller.

### ***Conclusion***

4. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

Cole et al. (2002/0161707) discloses a method and system for multi-currency escrow service for web-based transactions where changes can be made to the payment terms.

Hare et al. (6,850,900) discloses a full service secure commercial electronic marketplace.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to ALAN LIU whose telephone number is (571)270-5113. The examiner can normally be reached on Monday through Thursday, 8:30AM-6:00PM EST.

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If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Lynda Jasmin can be reached on 571-270-3033. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Elaine Gort/  
Primary Examiner, Art Unit 3627

AL